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DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-843]

Prestressed Concrete Steel Wire Strand from the Republic of Turkey: Initiation of Countervailing Duty Investigation

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: Applicable May 6, 2020.

FOR FURTHER INFORMATION CONTACT: Alex Villanueva; AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3208.

SUPPLEMENTARY INFORMATION:

The Petition

On April 16, 2020, the Department of Commerce (Commerce) received a countervailing duty (CVD) petition concerning imports of prestressed concrete steel wire strand (PC strand) from the Republic of Turkey (Turkey), filed in proper form on behalf of the petitioners,¹ domestic producers of PC strand.² The Petition was accompanied by antidumping duty (AD) petitions concerning imports of PC strand from Argentina, Columbia, Egypt, Indonesia, Italy,

¹ The petitioners consist of Insteel Wire Products Company, Sumiden Wire Products Corporation, and Wire Mesh Corporation.

² See Petitioners' Letter, "Prestressed Concrete Steel Wire Strand from Argentina, Colombia, Egypt, Indonesia, Italy, Malaysia, Netherlands, Saudi Arabia, South Africa, Spain, Taiwan, Tunisia, Turkey, Ukraine, and the United Arab Emirates – Petition for the Imposition of Antidumping and Countervailing Duties," dated April 16, 2020 (the Petition).

Malaysia, Netherlands, Saudi Arabia, South Africa, Spain, Taiwan, Tunisia, Turkey, Ukraine and the United Arab Emirates.

Between April 21 and 23, 2020, Commerce requested supplemental information pertaining to certain aspects of the Petition in separate supplemental questionnaires.³ The petitioners filed responses to the supplemental questionnaires on April 27, 2020.⁴

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that the Government of Turkey (GOT) is providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of PC strand in Turkey, and that imports of such products are materially injuring, or threatening material injury to, the domestic PC strand industry in the United States. Consistent with section 702(b)(1) of the Act and 19 CFR 351.202(b), for those alleged programs on which we are initiating a CVD investigation, the petitioners provided reasonably available information in the Petition to support their allegation.

Commerce finds that the petitioners filed the Petition on behalf of the domestic industry, because the petitioners are an interested party, as defined in section 771(9)(C) of the Act.

³ See Commerce's Letters, "Petition for the Imposition of Antidumping Duties on Imports of Prestressed Concrete Steel Wire Strand from Argentina, Colombia, Egypt, Indonesia, Italy, Malaysia, the Netherlands, Saudi Arabia, South Africa, Spain, Taiwan, Tunisia, Turkey, Ukraine, and the United Arab Emirates: Supplemental Questions," dated April 21, 2020 (General Issues Supplement); and "Petition for the Imposition of Countervailing Duties on Imports of Prestressed Concrete Steel Wire Strand from the Republic of Turkey: Supplemental Questions," dated April 21, 2020.

⁴ See Petitioners' Letter, "Prestressed Concrete Steel Wire Strand from Argentina, Columbia, Egypt, Indonesia, Italy, Malaysia, Netherlands, Saudi Arabia, South Africa, Spain, Taiwan, Tunisia, Ukraine, and United Arab Emirates – Petitioners' Amendment to Volume I Concerning General Issues," dated April 27, 2020 (General Issues Supplement Response); and "Prestressed Concrete Steel Wire Strand from Argentina, Columbia, Egypt, Indonesia, Italy, Malaysia, Netherlands, Saudi Arabia, South Africa, Spain, Taiwan, Tunisia, Turkey, Ukraine, and United Arab Emirates – Petitioners' Amendment to Volume XVII Related to Countervailing Duties from the Republic of Turkey," dated April 27, 2020.

Commerce also finds that the petitioners demonstrated sufficient industry support necessary for the initiation of the requested CVD investigation.⁵

Period of Investigation

Because the Petition was filed on April 16, 2020, the period of investigation is January 1, 2019 through December 31, 2019.

Scope of the Investigation

The product covered by this investigation is PC strand from Turkey. For a full description of the scope of this investigation, *see* the appendix to this notice.

Scope Comments

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (*i.e.*, scope).⁶ Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determination. If scope comments include factual information,⁷ all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such comments by 5:00 p.m. Eastern Time (ET) on May 26, 2020, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on June 5, 2020, which is 10 calendar days from the initial comment deadline.

Commerce requests that any factual information parties consider relevant to the scope of the investigation be submitted during this period. However, if a party subsequently finds that

⁵ See the "Determination of Industry Support for the Petition" section, *infra*.

⁶ See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁷ See 19 CFR 351.102(b) (21) (defining "factual information").

additional factual information pertaining to the scope of the investigation may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must also be filed on the records of the concurrent AD investigations.

Filing Requirements

All submissions to Commerce must be filed electronically via Enforcement and Compliance's AD and CVD Centralized Electronic Service System (ACCESS), unless an exception applies.⁸ An electronically filed document must be received successfully in its entirety by the time and date it is due.

Consultations

Pursuant to sections 702(b)(4)(A)(i) and (ii) of the Act, Commerce notified representatives of the GOT of the receipt of the Petition and provided them the opportunity for consultations with respect to the Petition.⁹ Consultations were held with the GOT on April 27, 2020.¹⁰ The GOT submitted consultation remarks on April 27, 2020.¹¹

Determination of Industry Support for the Petition

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the

⁸ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011), and *Enforcement and Compliance: Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014), for details of Commerce's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx>, and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

⁹ See Commerce's Letter, "Countervailing Duty Petition on Prestressed Concrete Steel Wire Strand from the Republic of Turkey; Invitation for Consultations to Discuss the Countervailing Duty Petition," dated April 17, 2020.

¹⁰ See Memorandum, "Consultations with Officials from the Government of the Republic of Turkey Regarding the Countervailing Duty Investigation of Prestressed Concrete Steel Wire Strand from the Republic of Turkey," dated April 27, 2020.

¹¹ See GOT's Letter, "Countervailing Duty Petition on Prestressed Concrete Steel Wire Strand from the Republic of Turkey: Consultations Held on April 27, 2020," dated April 27, 2020.

total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,¹² they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹³

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an

¹² See section 771(10) of the Act.

¹³ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989)).

investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioners do not offer a definition of the domestic like product distinct from the scope of the investigation.¹⁴ Based on our analysis of the information submitted on the record, we have determined that PC strand, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.¹⁵

In determining whether the petitioners have standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of the Investigation,” in the appendix to this notice. To establish industry support, the petitioners provided their 2019 production of the domestic like product, as well as the 2019 production of Strand-Tech Manufacturing, Inc., a supporter of the Petition.¹⁶ The petitioners compared the production of the supporters of the Petition to the estimated total production of the domestic like product for the entire domestic

¹⁴ See Volume I of the Petition at 19-20 and Exhibits GEN-4 and GEN-5; *see also* General Issues Supplement Response at 4.

¹⁵ For a discussion of the domestic like product analysis as applied to this case and information regarding industry support, *see* Countervailing Duty Investigation Initiation Checklist: Prestressed Concrete Steel Wire Strand from the Republic of Turkey (Turkey CVD Initiation Checklist) at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Prestressed Concrete Steel Wire Strand from Argentina, Colombia, Egypt, Indonesia, Italy, Malaysia, the Netherlands, Saudi Arabia, South Africa, Spain, Taiwan, Tunisia, Turkey, Ukraine, and the United Arab Emirates (Attachment II). This checklist is dated concurrently with this notice and on file electronically via ACCESS.

¹⁶ See Volume I of the Petition at 4 and Exhibits GEN-2 and GEN-3; *see also* General Issues Supplement Response at 4 and Exhibit GEN-SUPP-3.

industry.¹⁷ We relied on data provided by the petitioners for purposes of measuring industry support.¹⁸

Our review of the data provided in the Petition, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioners have established industry support for the Petition.¹⁹ First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).²⁰ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.²¹ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition.²² Accordingly, Commerce determines that the Petition were filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.²³

Injury Test

¹⁷ See Volume I of the Petition at 4 and Exhibits GEN-1 through GEN-3; *see also* General Issues Supplement Response at 3-4 and Exhibits GEN-SUPP-2 and GEN-SUPP-3.

¹⁸ See Volume I of the Petition at 4 and Exhibits GEN-1 through GEN-3; *see also* General Issues Supplement Response at 3-4 and Exhibits GEN-SUPP-2 and GEN-SUPP-3. For further discussion, *see* Attachment II of the Turkey CVD Initiation Checklist.

¹⁹ See Attachment II of the Turkey CVD Initiation Checklist.

²⁰ *Id.*; *see also* section 702(c)(4)(D) of the Act.

²¹ See Attachment II of the Turkey CVD Initiation Checklist.

²² *Id.*

²³ *Id.*

Because Turkey is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from Turkey materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

The petitioners allege that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁴

The petitioners contend that the industry’s injured condition is illustrated by a significant and increasing volume of subject imports; declining market share; underselling and price suppression; lost sales and revenues; declines in production, shipments, capacity utilization, and employment; and declining financial performance.²⁵ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.²⁶

²⁴ See Volume I of the Petition at 21-22 and Exhibit GEN-11.

²⁵ See Volume I of the Petition at 25-39 and Exhibits GEN-9, and GEN-12 through GEN-16.

²⁶ See Turkey CVD Initiation Checklist at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Prestressed Concrete Steel Wire Strand from Argentina, Colombia, Egypt, Indonesia, Italy, Malaysia, the Netherlands, Saudi Arabia, South Africa, Spain, Taiwan, Tunisia, Turkey, Ukraine, and the United Arab Emirates (Attachment III).

Initiation of CVD Investigation

Based upon the examination of the Petition and supplemental responses, we find that they meet the requirements of section 702 of the Act. Therefore, we are initiating a CVD investigation to determine whether imports of PC strand from Turkey benefit from countervailable subsidies conferred by the GOT. In accordance with section 703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 65 days after the date of this initiation.

Based on our review of the petition, we find that there is sufficient information to initiate a CVD investigation, on 21 of the 22 alleged programs. For a full discussion of the basis for our decision to initiate on each program, *see* Turkey CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Respondent Selection

In the Petition, the petitioners named three companies as producers/exporters of PC strand.²⁷ Commerce intends to follow its standard practice in CVD investigations and calculate company-specific subsidy rates for each company. In the event Commerce determines that the number of companies is large and it cannot individually examine each company based upon its resources, where appropriate, Commerce intends to select mandatory respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate Harmonized Tariff Schedule of the United States numbers listed in the appendix to this notice.

On May 4, 2020, Commerce released CBP data on imports of PC strand from Turkey under Administrative Protective Order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment on the CBP data must do so

²⁷ *See* Volume I of the Petition at Exhibit GEN-8.

within three business days of the publication date of the notice of initiation of this investigation.²⁸ Commerce will not accept rebuttal comments regarding the CBP data or respondent selection.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce's website at <http://enforcement.trade.gov/apo>. We intend to finalize our decision regarding respondent selection within 20 days of publication of this notice.

Distribution of Copies of the Petition

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the GOT via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided under 19 CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 702(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of PC strand from Turkey are materially injuring, or threatening material injury to, a U.S. industry.²⁹ A negative ITC determination will result in this investigation being terminated.³⁰ Otherwise, this investigation will proceed according to the statutory and regulatory time limits.

²⁸ See Memorandum, "Petition for the Imposition of Countervailing Duties on Imports of Prestressed Concrete Steel Wire Strand from the Republic of Turkey: Release of Customs Data from U.S. Customs and Border Protection," dated May 4, 2020.

²⁹ See section 703(a)(2) of the Act.

³⁰ See section 703(a)(1) of the Act.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). 19 CFR 351.301(b) requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted³¹ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.³² Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in this investigation.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by Commerce. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from

³¹ See 19 CFR 351.301(b).

³² See 19 CFR 351.301(b)(2).

multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in this investigation.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.³³ Parties must use the certification formats provided in 19 CFR 351.303(g).³⁴ Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)). Note that Commerce has temporarily modified certain of its requirements for

³³ See section 782(b) of the Act.

³⁴ See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also frequently asked questions regarding the *Final Rule*, available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

serving documents containing business proprietary information, until May 19, 2020, unless extended.³⁵

This notice is issued and published pursuant to sections 702(c)(2) and 777(i) of the Act and 19 CFR 351.203(c).

Dated: May 6, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

³⁵ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020).

Appendix

Scope of the Investigation

The merchandise covered by this investigation is prestressed concrete steel wire strand (PC strand), produced from wire of non-stainless, non-galvanized steel, which is suitable for use in prestressed concrete (both pretensioned and post-tensioned) applications. The product definition encompasses covered and uncovered strand and all types, grades, and diameters of PC strand. PC strand is normally sold in the United States in sizes ranging from 0.25 inches to 0.70 inches in diameter. PC strand made from galvanized wire is only excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft² standard set forth in ASTM-A-475. The PC strand subject to this investigation is currently classifiable under subheadings 7312.10.3010 and 7312.10.3012 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

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